



Foundry & Metal Casting

4Q24 M&A Industry Report

In This Issue

2 | PW&Co Team

4 | Market Overview

6 | Highlighted Deals &
Multiples

3 | PW&Co Commentary

5 | Macroeconomic Overview

7 | Deal List

Porter White & Company

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PWCO.COM

PW&Co Investment Banking Team



Michael Stone, CFA

Managing Director
205.458.9137
michael@pwco.com



Ross Walker

Associate
205.458.9133
ross@pwco.com



Zac Venos

Associate
205.458.9135
zac@pwco.com

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Industrial Manufacturing Overview

PW&Co Market Review

The industrial market, both industrial manufacturing and services, continues to garner strong interest from buyers. Throughout 2024, we spoke with numerous business owners, operators, and buyers (private equity firms, industry owners, family offices, search funds, etc.) who are optimistic about the future of the industry and actively looking for growth opportunities through acquisitions. A large question mark regarding the impact of tariffs on each business has affected many active manufacturing deals, requiring greater scrutiny of the business during prior economic downturns and the ability of a company to pass-on potential increased costs through surcharges or mitigate tariff risks in other ways.

President Trump began imposing tariffs in February, enacting a controversial plan that was a cornerstone of his 2024 campaign. While the aim of the tariffs is to bolster the U.S. economy and revitalize U.S. industry through onshoring and domesticating production, the move has had a profound impact on prices on a broad range of consumer and industrial goods for Americans. Impacted countries have responded with retaliatory tariffs, kicking off a trade war between the U.S. and many of its allies. In March, President Trump imposed sweeping 25% tariffs on all steel and aluminum imported into the U.S. Although the move could benefit American steel and aluminum companies by increasing demand for domestic materials, it will raise prices on a key input for many manufacturers. Economists and manufacturers expect the increase in price to be passed on to the consumer and further drive inflation. However, despite the instability of input costs and the broader supply chain, M&A opportunities for domestic firms investing in equipment to provide niche, high-precision products could increase. Increased costs and continued inflation continue to push companies to make their supply chains more cost efficient. In the past twelve months, we've seen a pick-up in large manufacturing companies acquiring suppliers to ensure a stable supply chain, and this may continue with a renewed focus on U.S. production and reducing costs; however, in an economic downturn, many large manufacturers often become more focused

on allocating labor and expenses to their value-added products (instead of supplies that could be outsourced) and consolidating production to maintain high capacity at certain plants. This is something to watch in an economic downturn and could create divestiture opportunities in the market. In the current deal environment, there is still a strong appetite for acquiring industrial manufacturing companies based on our recent deals and conversations around the U.S. with private equity firms, family offices, search funds, individual operators, and strategic acquirers.

Select Deal Multiples (EV to EBITDA)

Industry	Enterprise Value (\$ in millions)			
	\$10-25	\$25-50	\$50-100	\$100-250
Manufacturing	5.7x	6.2x	7.3x	7.9x
Primary Metal Mfg.	5.6x	5.4x	6.8x	6.0x
Machinery Mfg.	5.7x	5.9x	7.0x	8.4x
Transportation Equip. Mfg.	5.4x	5.8x	6.7x	7.5x
Fabricated Metal Products	5.1x	6.1x	7.4x	7.8x
Foundries	5.4x	5.7x	-	-
Selected Foundries				
Iron Foundries	6.2x	5.4x	-	-
Steel Investment Foundries	5.6x	-	-	-
Nonferrous Foundries	5.3x	-	-	-
Selected Fabrication				
Forging & Stamping Fab.	4.8x	5.8x	6.5x	6.5x
Machine Shops	4.8x	5.9x	9.5x	9.5x
Metal Tank Fabrication	5.7x	7.5x	-	-
Ornamental & Arch. Fab.	5.5x	6.7x	6.7x	6.7x

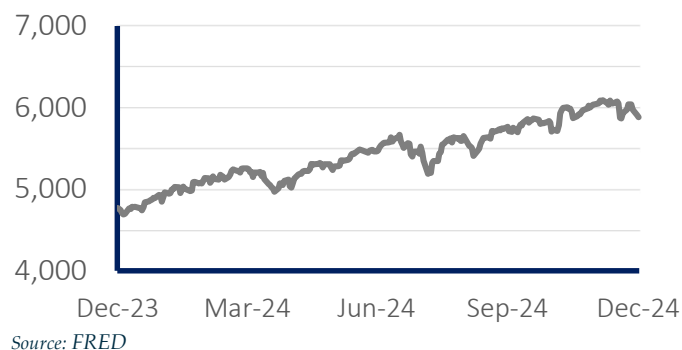
Notes: Multiples are presented as EBITDA/Enterprise Value based on the Target Company's trailing twelve month EBITDA.

Source: GF Data

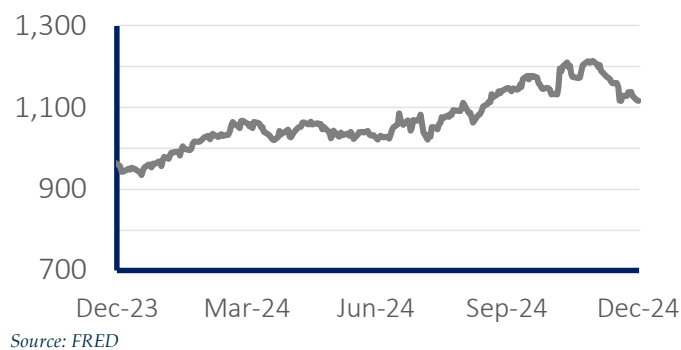
Market Overview

Public Markets

S&P 500 Index

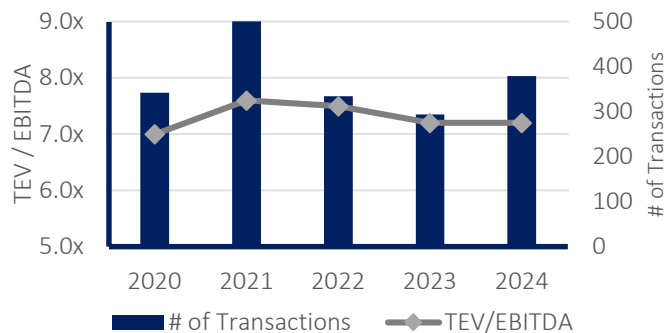


S&P 500 Industrials Index

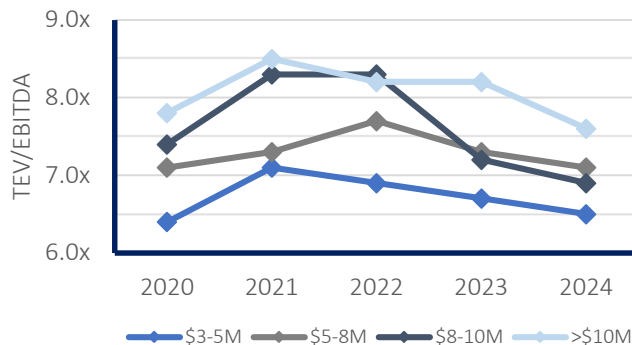


Private Markets

M&A Market Multiples (General)

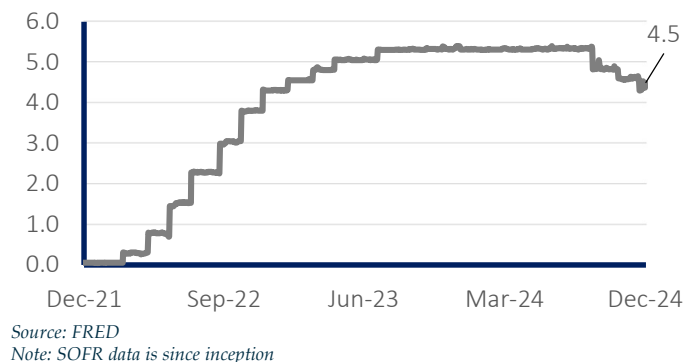


M&A Market Multiples (By Size)

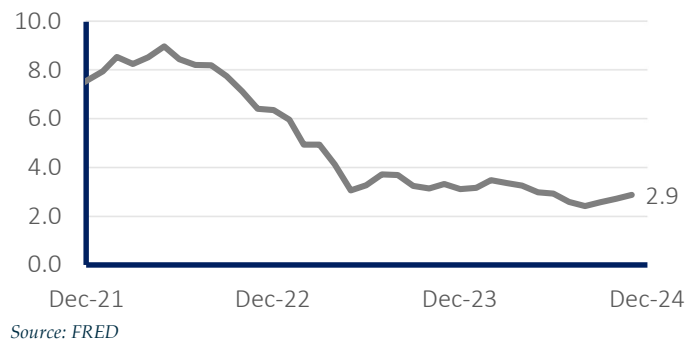


Lending Rates & Inflation

SOFR Rate

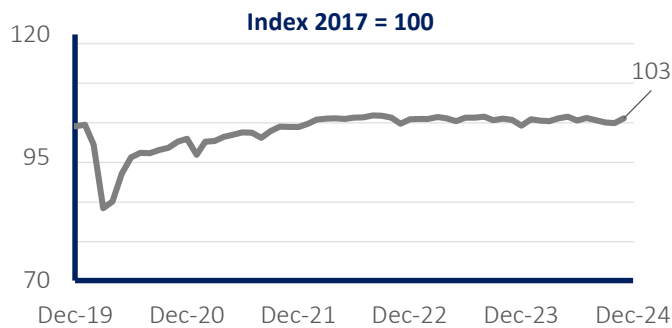


US CPI (Percent Change from a Year Ago)



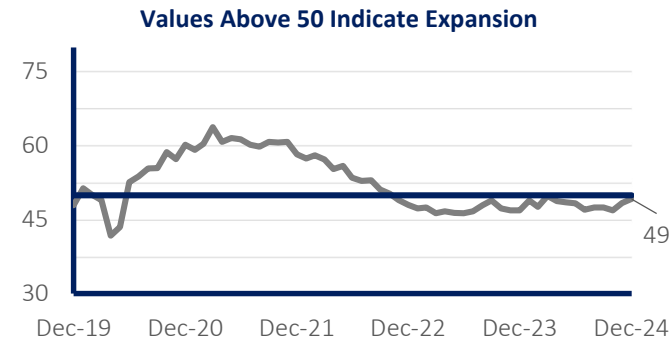
Macroeconomic Overview

Industrial Production Index



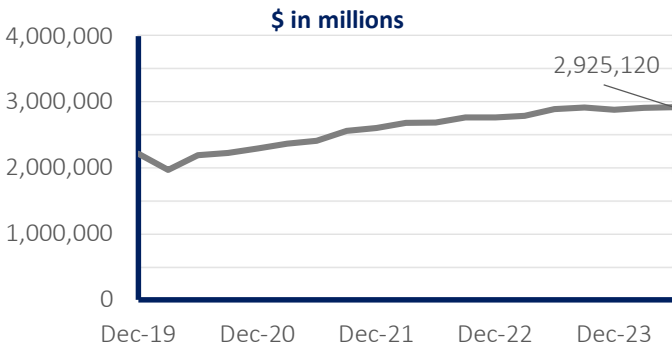
Source: FRED

ISM Manufacturing Purchasing Managers Index



Source: FRED

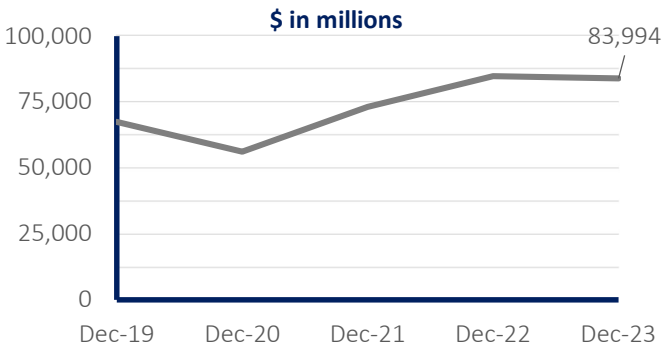
Manufacturing GDP (US)



Source: FRED

Note: Most recent date as of July 2024

Metal Manufacturing GDP (US)

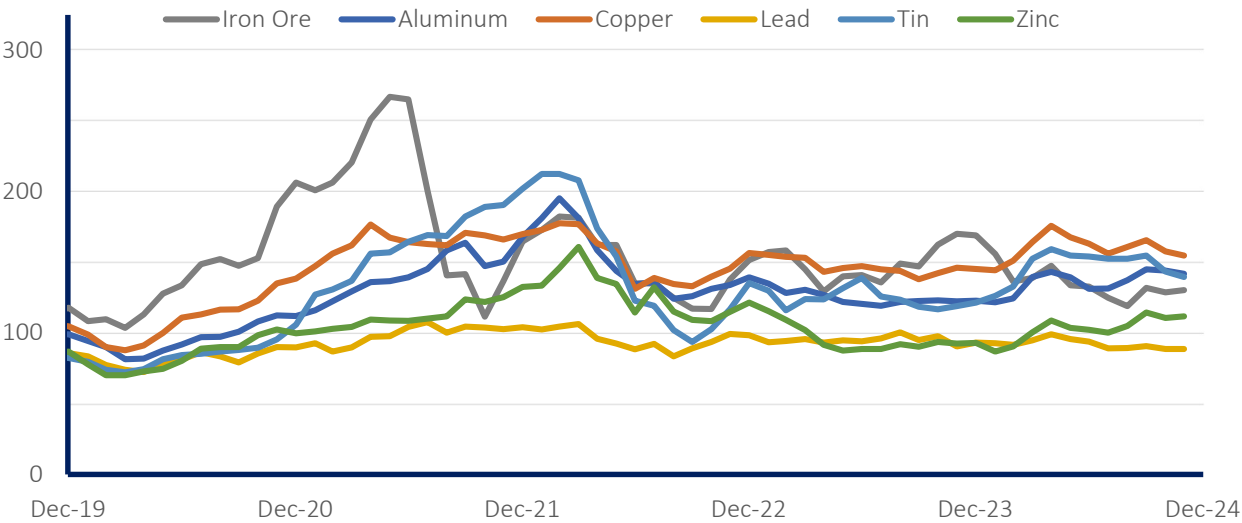


Source: FRED

Note: Most recent data as of December 2023

Metals Pricing

Index 2017 = 100



Source: FRED

Foundry & Metal Casting

The Foundry and Metal Casting screen returns deals by and between companies that are constituents of or suppliers/ servicers to the foundry and metal casting industries.

Selected Deals this Year

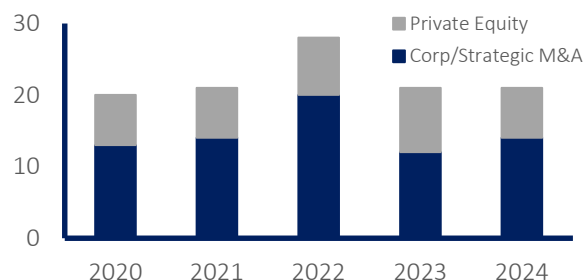
Date	Target	Description	Target Location	Buyer	TEV	Multiple
12/20/2024	RH Sheppard Company	Manufacturer of commercial vehicle products and technologies for heavy-duty commercial and specialty vehicles.	PA	Balmoral RHS Acquisition	NA	NA
9/12/2024	Spectro Alloys	Producer of aluminum alloys intended to serve foundries and die casters across the Midwest and surrounding areas.	MN	Emirates Global Aluminum, Others	NA	NA
5/8/2024	Atek Metal Technologies	Manufacturer of aluminum castings intended for transportation, agricultural, medical and power sports industries.	IA	Wisconsin Aluminum Foundry	NA	NA
3/1/2024	Renaissance Manufacturing Group	Manufacturer of multi-ferrous metal casting products based in Menomonee Falls, Wisconsin.	AL	The Lawton Standard Co.	NA	NA
3/1/2024	Waupaca Foundry	Manufacturer and supplier of cast and machined iron castings intended for automotive, commercial vehicles, agriculture, construction, and other industrial markets.	WI	A&M Capital, Monomoy Capital Partners	NA	NA

Deal Multiples (Foundries)

	Enterprise Value		
	\$10-25M	\$25-250M	Total
Enterprise Value (TEV)	\$15.8M	\$85.3M	\$47.4M
Revenue (\$ in mill.)	\$17.7M	\$85.5M	\$48.5M
TTM Rev Growth %	1.7%	7.4%	4.3%
EBITDA Margin %	16.8%	16.4%	16.6%
TEV / Revenue	0.9x	1.0x	0.9x
TEV / EBITDA	5.4x	5.7x	5.6x

Source: GFDData; NAICS 3315

Foundry Deal Flow (Last 5 Years)



Foundry & Metal Casting – Most Recent Deals

Deal Date	Company	Buyer	Target Location	TEV	EBITDA Multiple
20-Dec-24	RH Sheppard Company	Balmoral AHS Acquisition	Pennsylvania	NA	NA
7-Oct-24	Morgan Bronze Products	Wieland Group (Erwin Mayr)	Illinois	NA	NA
12-Sep-24	Spectro Alloys	Emirates Global Aluminium, Investment Corporation of Dubai, Mamoura Diversified Global Holding	Minnesota	NA	NA
6-Aug-24	TMF Center	Steel Technologies	Indiana	NA	NA
10-Jul-24	Tri-Star Glove	Blue Point Capital Partners, National Safety Apparel	Indiana	NA	NA
5-Jul-24	Fullmer Industrial Sales	TA Industrial Solutions	Pennsylvania	NA	NA
17-Jun-24	Hobson & Motzer	Aterian Investment Partners, Vantage (San Jose)	Connecticut	NA	NA
31-May-24	Excal (Industrial Supplies and Parts)	Canerector	Wyoming	NA	NA
8-May-24	Atek Metal Technologies	Wisconsin Aluminum Foundry	Iowa	NA	NA
1-Apr-24	Performix Metallurgical Additives	Elliott Investment Management, Opta Group, Speyside Equity	Indiana	NA	NA
1-Mar-24	Renaissance Manufacturing Group	The Lawton Standard Co.	Wisconsin	NA	NA
1-Mar-24	Waupaca Foundry	A&M Capital, Monomoy Capital Partners	Wisconsin	NA	NA
26-Feb-24	Compass Technical Services	Unique Industrial Product	Texas	NA	NA
23-Feb-24	Allied Alloys	Stainless Steel Midwest (US)	Texas	NA	NA
6-Feb-24	Sharp Type	HGGC, Monotype Imaging, Thrivent	New York	NA	NA
5-Feb-24	Kinergy	Carrier Process Equipment Group	Kentucky	NA	NA
29-Jan-24	Dalton Corporation	NA	Indiana	NA	NA
26-Jan-24	Morton Photonics	Inflection	Florida	NA	NA
20-Dec-23	Anker Industries	Elliott Investment Management, Opta Group, Speyside Equity	Pennsylvania	NA	NA
30-Nov-23	Craft Pattern and Mold	Delos Capital, Genesis Park, Ironwood Capital, Le Sueur, The Silverfern Group	Minnesota	NA	NA
19-Oct-23	NuFlux	Elliott Investment Management, Opta Group, Speyside Equity	Ohio	NA	NA
30-Sep-23	ACME Abrasive Co.	Tyrolit Schleifmittelwerke Swarovski	Michigan	NA	NA
15-Sep-23	R.H. Sheppard (Foundry Operations)	NA	Pennsylvania	NA	NA
14-Sep-23	Rane Light Metal Casting America	Kentucky Industrial Holdings	Kentucky	4900000	NA
1-Sep-23	Turbo Components	P&THE Manufacturing	Michigan	NA	NA
31-Jul-23	Reuland Electric	OnCore Motor Group	California	NA	NA
1-Jul-23	Opta Group	Elliott Investment Management, Speyside Equity	New York	620,000,000	NA
4-May-23	Font Bureau (39 Foundries)	Audax Private Equity, HGGC, Monotype Imaging, Thrivent	Massachusetts	NA	NA
1-May-23	Utica Silicates	NA	Illinois	NA	NA
5-Apr-23	Horizon Metals (Industrial Supplies and Parts)	Victaulic	Utah	NA	NA
31-Mar-23	Guardian Software Systems	Embrace Software	Wisconsin	NA	NA
29-Mar-23	Performance Aluminum Products	Alumistar	California	NA	NA
24-Mar-23	Asbury Carbons	Mill Rock Capital	New Jersey	8,000,000	NA
8-Mar-23	Korns Galvanizing Company	Hill & Smith	Pennsylvania	9400000	NA
3-Mar-23	Lee Brass	Fidelis (Michigan)	Alabama	NA	NA
31-Jan-23	Green Diamond Performance Materials	Medallion Capital	Oregon	3500000	NA
13-Oct-22	Tech Cast	Daedalus Investments	Pennsylvania	NA	NA
1-Oct-22	Multi-Cast	NA	Ohio	NA	NA
1-Oct-22	Simpson Technologies	Aitor Equity Partners, Norican Group	Illinois	NA	NA
30-Sep-22	Magnetic Lifting Technologies US	Crane 1 Services, L Squared Capital Partners	Pennsylvania	NA	NA
20-Sep-22	Valley Minerals	HBM Holdings, LLC (Saint Louis)	Missouri	NA	NA
1-Sep-22	Diversified Metal Products	NA	Michigan	NA	NA
25-Aug-22	Berthold Types (Inventory of Typefaces)	Audax Private Debt, HGGC, Monotype Imaging, Thrivent	Illinois	NA	NA
12-Aug-22	Northern Iron and Machine	The Lawton Standard Co.	Minnesota	NA	NA
31-Jul-22	Unity Aluminum	Steel Dynamics	Kentucky	NA	NA
29-Jul-22	Wellman (Creston)	TRM Equity	Iowa	NA	NA
22-Jul-22	New England Foundry	Potential Holdings	Massachusetts	NA	NA
6-Jul-22	CMC Materials	Entegris	Illinois	5740620000	17.9251
16-Jun-22	Typetanic Fonts	The Type Founders	Illinois	500,000	NA
16-Jun-22	Miller and Company	Johnny On The Spot	Illinois	NA	NA
3-Jun-22	South Portland Facility & Fabrication Operations	Diodes	Maine	80,400,000	NA
13-May-22	Alhambra Foundry	EJ Group	California	NA	NA
4-May-22	Houston Metal Sawing	Metal Sawing Technology, Inc.	Texas	NA	NA
1-May-22	Adams & Westlake	NA	Indiana	NA	NA
28-Apr-22	Rusal America	NA	New York	NA	NA
31-Mar-22	GF Linamar	Linamar	North Carolina	NA	NA
22-Mar-22	JLM Industrial Supply	Stellar Industrial Supply	Nevada	NA	NA

Foundry & Metal Casting – Most Recent Deals (Continued)

Deal Date	Company	Buyer	Target Location	TEV	EBITDA Multiple
28-Feb-22	Dee Manufacturing	Wisconsin Aluminum Foundry	Minnesota	NA	NA
1-Feb-22	Franklin Iron Works	Druid Capital Partners, Elyton Capital	Alabama	NA	NA
31-Jan-22	Cast7	Fondaction, Fonds de solidarite FTQ, Metal 7, NCP Digital Family Office	Minnesota	NA	NA
28-Jan-22	Cushman Foundry	CaneKast	Delaware	NA	NA
1-Jan-22	Teradyne	Raymond James Investment Management	Massachusetts	NA	NA
31-Dec-21	Mid Valley Industrial Services	Rosewood Private Investments, Superior Environmental Solutions	Wisconsin	NA	NA
31-Dec-21	TPI Engineered Systems	Enviva Partners	Georgia	NA	NA
5-Dec-21	Eagle Engineered Solutions	Beehive3D	Ohio	NA	NA
18-Nov-21	Ferrous Processing & Trading	Cleveland-Cliffs	Michigan	755,000,000	7.6
17-Nov-21	R&D Altanova	Advantest	New Jersey	NA	NA
1-Nov-21	Lee Brass	NA	Alabama	NA	NA
26-Oct-21	SemiGen	Edgewater Capital Partners, Naprotek, Patriot Capital	New Hampshire	NA	NA
19-Oct-21	UnitedSIC	Qorvo	New Jersey	234,220,000	NA
1-Oct-21	Columbus Recycling	Radius Recycling	Mississippi	114,000,000	NA
30-Sep-21	Alcast	Ligon Industries	Illinois	50,000,000	NA
3-Sep-21	Miller and Company	Consolidated Mill Supply	Illinois	NA	NA
1-Sep-21	Fullco Industries	AlpInvest Partners, Endries International, MSD Partners	Illinois	NA	NA
17-Aug-21	Chicago Protective Apparel	Gryphon Investors, Mechanix Wear	Illinois	NA	NA
1-Jun-21	Anker Industries	Continuum Equity Partners	Pennsylvania	NA	NA
1-Mar-21	Action Equipment Company	Webster Industries	Oregon	NA	NA
5-Feb-21	Patriot Foundry & Castings	Ermak Foundry & Machining	Delaware	NA	NA
2-Feb-21	Foundry Equipment Company	General Kinematics	Iowa	NA	NA
2-Feb-21	Ransom & Randolph	PMC Capital	Ohio	NA	NA
25-Jan-21	Elyria Foundry	TRM Equity	Ohio	NA	NA
1-Jan-21	Chemalloy Company	Mitsui Mining and Smelting	Pennsylvania	NA	NA
23-Dec-20	Hussey Copper	KPS Capital Partners	Pennsylvania	NA	NA
14-Dec-20	StampSource	Covey Equity, Phoenix Stamping Group	North Carolina	NA	NA
27-Oct-20	Finco Fabricating	Newel Capital, Optimus Capital Partners	Wisconsin	NA	NA
2-Oct-20	FATA Aluminum	LPM Group	Michigan	NA	NA
19-Aug-20	GPI Prototype	CORE Industrial Partners, FATHOM (Oakland)	Illinois	NA	NA
1-Aug-20	Valley Minerals	NA	Missouri	NA	NA
1-Jul-20	Rex Materials	Alkegen, Clearlake Capital Group	Michigan	NA	NA
30-Jun-20	Nidec Minster (Grey and Ductile Iron Foundry)	Oakland Standard, Temperform, The C.A. Lawton	Ohio	NA	NA
3-Jun-20	Renaissance Manufacturing Group (Certain Assets)	Gamut Capital Management, Grede Holdings	Wisconsin	NA	NA
1-Jun-20	RH Sheppard Company	Bendix Commercial Vehicle Systems	Pennsylvania	149,500,000	NA
13-May-20	Sonic Foundry	NA	Wisconsin	NA	NA
31-Mar-20	Precision Abrasives (New York)	Gioia Capital	New York	NA	NA
20-Mar-20	Ametek-Reading Alloys	Edmond de Rothschild Private Equity, Kymera International, Palladium Equity Partners	Pennsylvania	250,000,000	NA
3-Mar-20	Ulmer Equipment	Mead O'Brien	Missouri	NA	NA
6-Feb-20	Integrand Software	Cadence Design Systems	New Jersey	NA	NA
1-Jan-20	Thalheimer Brothers	NA	Pennsylvania	NA	NA
16-Dec-19	Grede Holdings	Gamut Capital Management	Michigan	245,000,000	NA
10-Dec-19	Crucible Metal Solutions	NA	Wisconsin	NA	NA